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Canadian Farm Income Program

Supplementary Package

Receivables Adjustment
for Pooled Commodities (RAPC)

2002

Program Year

Canada



Government of
Saskatchewan

Manitoba



New Brunswick
Nouveau



NOVASCOTIA



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Supplementary Schedules for the Receivables Adjustment for Pooled Commodities (RAPC)

The *Supplementary Schedules for the Receivables Adjustment for Pooled Commodities (RAPC)* are optional schedules that allow applicants who produce commodities that are marketed through a central pool to adjust their claim year margin so that it isolates and approximates the full value of their claim year production.

In general, the income received at the time of delivery of a pooled commodity represents only an initial payment on the full value of the commodity. Subsequent adjustment payments are often made over time, up until the pool can accurately determine a total return for the commodity.

As a result, the income received in the claim year for the sale of a pooled commodity may represent only a portion of the total income that will eventually be received in the future for that sale. Also, the year-end price used to value the year-end inventory of a pooled commodity represents only a percentage of the final price that will be determined for the commodity.

The RAPC, applied in conjunction with the inventory accrual adjustment, allows producers who produce commodities marketed through a pool to adjust their claim year margin so that it reflects the approximate full value of their claim year production, and excludes other income related to previous years' production. The RAPC accomplishes this by:

- 1) excluding income received in the claim year for commodities produced in previous years, and;
- 2) including a projected amount relating to the future income that will be received for commodities produced in the claim year.

Canadian Wheat Board (CWB) Commodities:

The CFIP inventory adjustment on CWB grain offsets a portion of the grain revenue in the claim year. The RAPC adjustment will account for the other portion of the revenue (adjustment, interim and final payments). While the RAPC is independent of the inventory adjustment, producers who sell all grain by the end of the pool-period (July 31) will find that it complements the adjustment and allows their claim year margin to reflect the approximate full value of their claim year production of CWB grains.

Eligibility

In addition to meeting the eligibility criteria set out in Section 3.0 of the *CFIP Program Handbook*, applicants who wish to use the RAPC must meet the following eligibility criteria:

- Applicants must file to Canada Customs and Revenue Agency (CCRA) and/or NISA on the cash basis.
- Applicants must produce commodities marketed through a central pool.

Important Information

The RAPC is optional, and will only benefit producers where the net adjustment is *negative* - i.e., where excluded income (1) exceeds included income (2). **However, applicants who have the RAPC applied must use the RAPC when applying to CFIP in all future program years.**

In other words, if you applied to CFIP in 2001 and had a RAPC adjustment applied against your 2001 claim year margin, you must again submit the RAPC Schedules if you apply to CFIP in 2002.

The RAPC Schedules are supplementary to the CFIP application, and are not intended to replace any parts of the CFIP application.

Note: The RAPC may not be submitted as an adjustment to the CFIP application form. Applicants who wish to use the RAPC must submit their completed *RAPC Schedules*, with all supporting documentation, with their CFIP 2001 application on or before the application deadline of **October 1, 2003.**

RAPC Calculation

Step 1. Schedule PC-1 of the RAPC *removes* from the claim year margin payments received in your 2001 fiscal year for crops produced in previous years. This includes adjustment, interim, and final payments received in the claim year for crops produced in previous years.

Step 2. Schedule PC-2 of the RAPC *adds* to the claim year margin projected future income relating to the crop produced in the 2002 claim year. This step, in conjunction with the inventory accrual adjustment, approximates the full value of the crop produced in the claim year.

Claim Year Crop

For RAPC purposes, the claim year crop includes:

- a) the crop that is harvested within the claim year fiscal period;
- b) any previous years' inventory carried into the claim year and not sold by the start of the claim year pool.

and excludes:

- c) any part of the claim year crop that was used for feed, used for seed, or sold off the pool.

Excluding the amounts described in (c) ensures that the RAPC only adjusts the quantity of crops that are sold through the pool.

Projected Future Income

To determine the amount of projected future income relating to the claim year crop that will be added to the claim year margin, CFIP calculates:

- 1) the *projected full value* of the claim year crop; and subtracts from this:
- 2) the value of the claim year crop that is already accounted for by CFIP through: i) the cash received in the claim year for sales of the crop; and, ii) the end-of-year inventory valuation.

CFIP already accounts for part of the full value of the claim year crop, as both the cash income received from sales of the claim year crop and the value of the end-of-year inventory are already included in the claim year margin. By calculating the difference between the projected full value of the claim year crop and the amount already valued through sales and inventory, CFIP approximates the remaining future income that will be received for the claim year crop.

Projected Full Value

CFIP projects the full value of the claim year crop by calculating:

Total quantity of 2002 crop x adjustment value

The adjustment value represents the approximate full value per unit of the crop, based on the market information available to the pool at the time of printing this package. For commodities marketed through the Canadian Wheat Board (CWB), the adjustment value is a provincial value based on the CWB's Pool Return Outlook (PRO). Applicants producing commodities marketed through pools other than the above should contact CFIP to obtain adjustment values for their pool.

Schedule PC-1

Provide an itemized breakdown of all pool payments that you received in the 2002 claim year for crops produced in previous years. Indicate the pool from which they were issued (e.g., CWB), the type of payment you received (e.g., adjustment, interim, final), the date on which payment was issued, and the amount of the payment.

Applicants who market commodities through the CWB, and who have a December 31 fiscal year-end, must indicate the amounts they received through each of the following payments:

Payment Issue Date	Payment Type	For Crop Year
Jan 2, 2002 (any day is possible)	Final (if deferred)	2000-01
Jan15, 2002	Adjustment	2001-02
Apr 2, 2002	Adjustment	2001-02
Jul 9, 2002	Adjustment	2001-02
Oct 16, 2002	Interim	2001-02
Dec 10, 2002	Final	2001-02

Note: If any of these payments were deferred to 2003, they must also be recorded on Part 4b of the CFIP application as an ending deferral.

Applicants with a non-December 31 fiscal year-end should include all adjustment, interim, and final payments which fall within their claim year fiscal period.

Total the values in column (A4) to determine the total pool payments you received in the claim year for crops produced in previous years.

Note: You must attach copies of receipts detailing each pool payment that you received in the claim year with your completed Schedule PC-1.

Schedule PC-2

Indicate the code and description (including variety, grade, and protein level) of each pooled commodity in your claim year crop. Commodity codes can be found in the **CFIP Price List**. Codes for CWB commodities can also be found on Pages C5 and C6 of this package.

Note: If your fiscal year-end is prior to the start of the claim year pool (e.g., August 1 for CWB), you must complete Schedule PC-2 based on your fall 2001 harvest, which represents your 2002 claim year crop for CFIP purposes.

Projected Full Value of the Claim Year Crop: In column (B1), indicate the total claim year production for each crop, which should include:

- the quantity that was harvested within the 12 month claim year fiscal period, and;
- any previous years' inventory carried into the claim year and not sold by the start of the claim year pool.

In column (B2), estimate the total quantity of the claim year crop used as feed, used as seed, and sold off-pool. You must submit copies of receipts to substantiate any sales off the pool. In column (B3), calculate the net claim year production for each crop by subtracting the quantity in column (B2) from the quantity in column (B1).

In column (B4), indicate the appropriate adjustment value for the commodity. The adjustment values for CWB commodities are listed on Pages C5 and C6. Applicants with pooled commodities not marketed through the CWB should contact CFIP to obtain the appropriate adjustment value(s).

Note: The adjustment values for CWB commodities are based on the CWB Pool Return Outlook (PRO) that was current at the time of publication of these forms. Although the PRO may change over time, applicants must use the provided adjustment values so as to ensure consistency among all applicants, regardless of when they apply.

For each crop, determine the projected full value of net claim year production in column (B5) by multiplying the quantity in column (B3) by the adjustment value in (B4). Total the values in column (B5) in Box B to determine the projected full value of your entire claim year crop.

Schedule PC-2 (cont'd)

Total Value of Claim Year Crop Already

Accounted For: For each crop, indicate in column (C1) the total income you received for deliveries and sales of the claim year crop that you made prior to your 2002 fiscal year-end. The amounts in column (C1) should include all initial and adjustment payments related to the claim year crop that were received between the start of the claim year pool and your fiscal year-end. This includes any deferred payments for sales of claim year crop made prior to the 2002 fiscal year-end. These payments must also be entered on Part 4b of the CFIP application. Initial payments should be net of freight and handling, but add back in any repayment of cash advances and/or repayment of crop inputs for seed, fertilizer, or chemical.

For columns (C2) and (C3), transfer the ending inventory quantity and Fair Market Value (FMV) from Part 5 of your CFIP 2002 Application. Calculate the value of your ending inventory in column (C4) by multiplying the quantity in column (C2) by the FMV in column (C3).

For each crop, determine the value of the claim year production that is already accounted for in column (C5) by adding the values in column (C1) and column (C4). Total the values in column (C5) in Box C to determine the total value of the claim year crop that is already accounted for.

In Box D, determine the total projected future income relating to the claim year crop that will be added to the claim year margin by subtracting Box C from Box B. In Box E, determine the net receivables adjustment for pooled commodities by subtracting Box A from Box D.

Note: The RAPC will only benefit you if the value in Box E is negative.

Transfer the value in Box A to *Part 4b - Deferred Income and Receivables* of your CFIP application, and enter it as an *opening* receivable on the line designated for the RAPC adjustment.

Transfer the value in Box D to *Part 4b - Deferred Income and Receivables* of your CFIP application, and enter it as an *ending* receivable on the line designated for the RAPC adjustment.

CWB Adjustment Values (\$/tonne)

Code	Description		For Fiscal Year Ends Between Jan. 1 & July 31, 2002*		For Fiscal Year Ends Between Aug. 1 & Dec. 31, 2002**	
			SK	MB	SK	MB
BARLEY, DESIGNATED						
5010	Special Sel. Can. West. Two-Row	\$/t	155.00	158.70	193.70	197.50
5011	Sel. Can. West. Two-Row	\$/t	152.50	156.20	191.20	195.00
5012	Standard Sel. Can. West. Two-Row	\$/t	150.00	153.70	188.70	192.50
5016	Sel. Can. West. Two-Row Hulless	\$/t	134.60	138.20	178.70	182.50
6644	Food Sel. Can. West. Two-Row	\$/t	135.30	138.90	178.70	182.50
5013	Special Sel. Can. West. Six-Row	\$/t	130.30	133.90	175.70	179.50
5014	Sel. Can. West. Six-Row	\$/t	127.80	131.40	173.20	177.00
5015	Standard Sel. Can. West. Six-Row	\$/t	125.30	128.90	170.70	174.50
5017	Sel. Can. West. Six-Row Hulless	\$/t	130.90	134.60	169.70	173.50
6645	Food Sel. Can. West. Six-Row	\$/t	128.30	131.90	170.70	174.50
7104	Special Select CW Six-Row B1602 Barley	\$/t	***	***	185.70	189.50
7105	Select CW Six-Row B1602 Barley	\$/t	***	***	183.20	187.00
7106	Standard Select CW Six-Row B1602 Barley	\$/t	***	***	180.70	184.50
BARLEY, FEED						
5001	No. 1 Canada Western Barley	\$/t	122.90	117.50	115.70	110.60
5002	No. 2 Canada Western Barley	\$/t	117.90	112.50	110.70	105.60
5003	Standard Canada Western Hulless Barley	\$/t	122.90	117.50	115.70	110.60
WHEAT, CANADA PRAIRIE SPRING (CPS)						
5180	No. 1 CPS Red	\$/t	138.30	141.10	177.70	180.40
5181	No. 2 CPS Red	\$/t	137.30	140.10	174.70	177.40
5190	No. 1 CPS White	\$/t	146.90	149.70	186.70	189.40
5191	No. 2 CPS White	\$/t	145.90	148.70	183.70	186.40
WHEAT, CANADA WESTERN AMBER DURUM (CWAD)						
5223	No. 1 CWAD (15.5)	\$/t	227.80	237.80	247.70	256.40
5224	No. 1 CWAD (15.0)	\$/t	226.10	236.20	245.40	254.10
5225	No. 1 CWAD (14.5)	\$/t	224.50	234.50	243.10	251.80
5200	No. 1 CWAD (14.0)	\$/t	222.80	232.90	241.10	249.80
5201	No. 1 CWAD (13.5)	\$/t	221.20	231.20	239.10	247.80
5202	No. 1 CWAD (13.0)	\$/t	219.50	229.60	237.10	245.80
5203	No. 1 CWAD (12.5)	\$/t	217.90	227.90	234.10	242.80
5226	No. 1 CWAD (12.0)	\$/t	216.20	226.20	232.10	240.80
5227	No. 1 CWAD (11.5)	\$/t	214.60	224.60	230.10	238.80
5228	No. 1 CWAD (11.0)	\$/t	212.90	222.90	228.10	236.80
5204	No. 1 CWAD	\$/t	211.30	221.30	226.00	234.70
5233	No. 2 CWAD (15.5)	\$/t	221.20	231.30	234.40	243.10
5234	No. 2 CWAD (15.0)	\$/t	219.60	229.60	232.50	241.20
5235	No. 2 CWAD (14.5)	\$/t	218.00	228.00	230.70	239.40
5210	No. 2 CWAD (14.0)	\$/t	216.30	226.40	228.80	237.50
5211	No. 2 CWAD (13.5)	\$/t	214.70	224.70	227.00	235.70
5212	No. 2 CWAD (13.0)	\$/t	213.10	223.10	225.10	233.80
5213	No. 2 CWAD (12.5)	\$/t	211.40	221.40	223.40	232.10
5236	No. 2 CWAD (12.0)	\$/t	209.80	219.80	221.80	230.50
5237	No. 2 CWAD (11.5)	\$/t	208.10	218.20	220.10	228.80
5238	No. 2 CWAD (11.0)	\$/t	206.50	216.50	218.50	227.20

CWB Adjustment Values (\$/tonne)


			For Fiscal Year Ends Between Jan. 1 & July 31, 2002*		For Fiscal Year Ends Between Aug. 1 & Dec. 31, 2002**	
			SK	MB	SK	MB
Code	Description					
WHEAT, CANADA WESTERN AMBER DURUM (CWAD) (cont'd.)						
5214	No. 2 CWAD	\$/t	204.90	214.90	216.80	225.50
5220	No. 3 CWAD (13.0)	\$/t	196.10	206.10	197.10	205.80
5221	No. 3 CWAD	\$/t	194.40	204.50	194.10	202.80
5230	No. 4 CWAD	\$/t	172.00	182.00	164.10	172.80
5240	No. 5 CWAD	\$/t	106.40	116.40	109.10	117.80
WHEAT, CANADA WESTERN AMBER DURUM NAVIGATOR (CWADN)						
5901	No. 1 CWADN (15.5)	\$/t	227.80	237.80	247.70	256.40
5902	No. 1 CWADN (15.0)	\$/t	226.10	236.20	245.40	254.10
5903	No. 1 CWADN (14.5)	\$/t	224.50	234.50	243.10	251.80
5904	No. 1 CWADN (14.0)	\$/t	222.80	232.90	241.10	249.80
5905	No. 1 CWADN (13.5)	\$/t	221.20	231.20	239.10	247.80
5906	No. 1 CWADN (13.0)	\$/t	219.50	229.60	237.10	245.80
5907	No. 1 CWADN (12.5)	\$/t	217.90	227.90	234.10	242.80
5908	No. 1 CWADN (12.0)	\$/t	216.20	226.20	232.10	240.80
5909	No. 1 CWADN (11.5)	\$/t	214.60	224.60	230.10	238.80
5910	No. 1 CWADN (11.0)	\$/t	212.90	222.90	228.10	236.80
5911	No. 1 CWADN	\$/t	211.30	221.30	226.00	234.70
5915	No. 2 CWADN (15.5)	\$/t	221.20	231.30	234.40	243.10
5916	No. 2 CWADN (15.0)	\$/t	219.60	229.60	232.50	241.20
5917	No. 2 CWADN (14.5)	\$/t	218.00	228.00	230.70	239.40
5918	No. 2 CWADN (14.0)	\$/t	216.30	226.40	228.80	237.50
5919	No. 2 CWADN (13.5)	\$/t	214.70	224.70	227.00	235.70
5920	No. 2 CWADN (13.0)	\$/t	213.10	223.10	225.10	233.80
5921	No. 2 CWADN (12.5)	\$/t	211.40	221.40	223.40	232.10
5922	No. 2 CWADN (12.0)	\$/t	209.80	219.80	221.80	230.50
5923	No. 2 CWADN (11.5)	\$/t	208.10	218.20	220.10	228.80
5924	No. 2 CWADN (11.0)	\$/t	206.50	216.50	218.50	227.20
5925	No. 2 CWADN	\$/t	204.90	214.90	216.80	225.50
5930	No. 3 CWADN (13.0)	\$/t	196.10	206.10	197.10	205.80
5931	No. 3 CWADN (12.5)	\$/t	195.30	205.30	196.40	205.10
5932	No. 3 CWADN (12.0)	\$/t	194.40	204.50	195.60	204.30
6637	No. 3 CWADN	\$/t	194.40	204.50	194.10	202.80
6638	No. 4 CWADN	\$/t	172.00	182.00	164.10	172.80
6639	No. 5 CWADN	\$/t	106.40	116.40	109.10	117.80
WHEAT, CANADA WESTERN EXTRA STRONG (CWES)						
5130	No. 1 CWES (12.5)	\$/t	141.30	144.30	180.70	185.20
5131	No. 1 CWES	\$/t	140.30	143.30	179.70	184.20
5140	No. 2 CWES (12.5)	\$/t	140.30	143.30	177.70	182.20
5141	No. 2 CWES	\$/t	139.30	142.30	176.70	181.20
WHEAT, CANADA WESTERN RED SPRING (CWRS)						
5122	No. 1 CWRS (15.5)	\$/t	178.50	181.30	223.80	226.50
5100	No. 1 CWRS (15.0)	\$/t	174.90	177.70	222.30	224.90
5101	No. 1 CWRS (14.5)	\$/t	171.60	174.40	220.70	223.40
5102	No. 1 CWRS (14.0)	\$/t	168.60	171.40	218.70	221.30

CWB Adjustment Values (\$/tonne)

			For Fiscal Year Ends Between Jan. 1 & July 31, 2002*		For Fiscal Year Ends Between Aug. 1 & Dec. 31, 2002**	
			SK	MB	SK	MB
Code	Description					
WHEAT, CANADA WESTERN RED SPRING (CWRS) (cont'd.)						
5103	No. 1 CWRS (13.5)	\$/t	165.80	168.60	216.70	219.40
5104	No. 1 CWRS (13.0)	\$/t	163.00	165.80	215.70	218.30
5105	No. 1 CWRS (12.5)	\$/t	160.30	163.10	214.70	217.40
5106	No. 1 CWRS (12.0)	\$/t	157.90	160.70	214.20	216.90
5123	No. 1 CWRS (11.5)	\$/t	155.90	158.70	213.70	216.40
5124	No. 1 CWRS (11.0)	\$/t	154.20	157.00	212.70	215.40
5107	No. 1 CWRS	\$/t	152.60	155.40	211.80	214.50
5126	No. 2 CWRS (15.5)	\$/t	171.60	174.40	209.80	212.40
5110	No. 2 CWRS (15.0)	\$/t	168.00	170.80	208.70	211.40
5111	No. 2 CWRS (14.5)	\$/t	164.70	167.50	207.70	210.30
5112	No. 2 CWRS (14.0)	\$/t	161.80	164.60	206.70	209.30
5113	No. 2 CWRS (13.5)	\$/t	159.00	161.80	205.70	208.40
5114	No. 2 CWRS (13.0)	\$/t	156.40	159.20	205.00	207.60
5115	No. 2 CWRS (12.5)	\$/t	153.80	156.60	204.40	207.00
5116	No. 2 CWRS (12.0)	\$/t	151.60	154.40	203.70	206.40
5127	No. 2 CWRS (11.5)	\$/t	149.90	152.70	203.10	205.70
5128	No. 2 CWRS (11.0)	\$/t	148.10	150.90	202.40	205.10
5117	No. 2 CWRS	\$/t	146.50	149.30	201.90	204.50
6640	No. 3 CWRS (14.5)	\$/t	153.20	156.00	193.30	196.00
6641	No. 3 CWRS (14.0)	\$/t	150.90	153.70	192.10	194.80
6642	No. 3 CWRS (13.5)	\$/t	148.60	151.40	190.90	193.60
5120	No. 3 CWRS (13.0)	\$/t	146.30	149.10	189.70	192.40
5121	No. 3 CWRS	\$/t	144.40	147.20	187.70	190.40
6643	No. 4 CWRS	\$/t	101.00	103.80	125.70	128.40
WHEAT, CANADA WESTERN RED WINTER (CWRW)						
5160	No. 1 CWRW (11.5)	\$/t	137.50	140.30	175.20	177.90
5161	No. 1 CWRW	\$/t	135.40	138.20	171.70	174.40
5162	No. 2 CWRW (11.5)	\$/t	136.10	138.90	171.20	173.90
5163	No. 2 CWRW	\$/t	134.10	136.90	167.70	170.40
WHEAT, CANADA WESTERN SOFT WHITE SPRING (CWSWS)						
5170	No. 1 CWSWS Select	\$/t	161.50	164.30	182.20	184.90
5169	No. 2 CWSWS Select	\$/t	160.20	163.00	180.70	183.40
5171	No. 1 CWSWS	\$/t	159.30	162.10	180.70	183.40
5172	No. 2 CWSWS	\$/t	158.00	160.80	179.20	181.90
5173	No. 3 CWSWS	\$/t	101.00	103.80	99.40	102.10
WHEAT, FEED						
5155	Feed Wheat (board)	\$/t	101.00	103.80	102.70	105.40

* Based on the CWB 2001-02 crop year final available November 29, 2002.

** Based on the CWB 2002-03 PRO available February 27, 2003.



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Schedule PC-1

Operation # ☐ a commune[illegible]

Enter Trust Account Number

Note: You must attach copies of receipts detailing each pool payment that you received in the claim year.

[illegible]

A

Over →

CFIP 2002 Receivables Adjustment for Pooled Commodities

- CFIP 2002 Receivables Adjustment for Pooled Commodities

[illegible]

B Total Value of Claim Year Crop Already Accounted For C
(Total Column (C5))

Future income relating to the claim year crop (Box B - Box C)

Variables Adjustment for Pooled Commodities (Box D - Box A)	E
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